

Message Text

UNCLASSIFIED

PAGE 01 JAKART 03853 020426Z

12

ACTION EA-10

INFO OCT-01 ISO-00 TRSE-00 EB-07 (ISO) W

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R 020220Z APR 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 0000

UNCLAS JAKARTA 3853

E.O. 11652: N/A

TAGS: BGEN, ID

SUBJ: INDONESIAN PERSONAL INCOME TAX

REF: STATE 070988

1. MINING COMPANY CONTRACTS OF WORK NORMALLY CONTAIN
A PROVISION THAT EXPATRIATE STAFF SERVING HERE ARE
LIABLE FOR INDONESIAN TAXES UP TO THE AMOUNT THEY
WOULD OWE IF SERVING IN COUNTRY OF THEIR NATIONALITY.
LACKING SUCH PROTECTION INDIVIDUALS WOULD BE FULLY SUBJECT
TO INDONESIAN INCOME TAX, WHICH SUBSTANTIALLY HEAVIER
THAN OURS. TAXABLE INCOME EXCEEDING RPS.
6 MILLION (ABOUT THE EQUIVALENT OF \$15,000) IS
SUBJECT TO 50 PER CENT TAX (THE CY1975 MARGINAL RATE).

2. IT IS COMMON HERE FOR EMPLOYERS OF FOREIGNERS TO
ASSUME RESPONSIBILITY OF SATISFYING THEIR INDONESIAN
PERSONAL INCOME TAX OBLIGATIONS WHILE WITHDRAWING FROM
EMPLOYEE SALARIES AMOUNTS EQUIVALENT TO TAXES THEY
WOULD PAY IN COUNTRY OF NATIONALITY.
NEWSOM

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Event:
Disposition History: n/a
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